

## **Healthwatch Cambridgeshire and Peterborough Reserves Policy**

Healthwatch Cambridgeshire and Peterborough is committed to following good practice in all financial matters.

This policy sets out the amount of reserves that will be maintained to enable Healthwatch Cambridgeshire and Peterborough to meet its obligations in terms of outstanding pay, statutory redundancy payments and any other liabilities in respect of contracted services and leased premises.

It is accepted good practice that organisations maintain three to four months' operating costs. In the interests of business continuity the organisation will retain four months' operating costs. This is considered sufficient due to the stability of the local authority funding received, which accounts for the majority of the organisation's income.

The current financial reserves for 2024/25 is £269k. The operating costs budgeted for the financial year, 2025/26 will be £228k for a four month period, resulting in a £41k excess reserves.

The budget for 2025/26 will use the excess reserve with a target of £232k reserve being maintained for 2025/26.

This level is reviewed annually by the General Purposes Group who will recommend the target reserves level to the Board of Directors for approval.

**Approved by Healthwatch Cambridgeshire and Peterborough Board of Directors** Date: March 2025

### **Responsible Officer**

Chief Executive Officer of Healthwatch Cambridgeshire and Peterborough